

**Naval Postgraduate School
Office of the Associate Provost and Dean of Research
Office of the Associate Provost for Academic Affairs**

Sponsored Program Policy/Guidance Memo No. SPPGM-03-08

Subj: MODIFICATION/REALIGNMENT TO SPONSORED PROJECT BUDGETS

Ref: (a) NAVPGSCOLINST 3900.1C

1. It is NPS' expectation that expenditures on sponsored projects will be reasonably consistent with the proposal budget. The approved proposal budget is provided on the Approved Expenditure Control Page. It is realized that unforeseen events or costs may require a modification or realignment of the project budget. In these instances, the PI/PM may request a modification to the project budget.
2. The modification or "budget page change" may be made on the Approved Expenditure Control Page, the DMAS Practice Budget Page maintained by the SPFA, or by e-mail. The PI/PM should indicate the categorical adjustments and provide a reason for the change (justification). The budget modification justification should indicate why the budget is being modified, i.e., indicate the action that warrants the modification to the budget. A detailed explanation is not required, but sufficient information must be provided to assure the modification is justified. In some cases, the modification may be necessary due to an increase in actual costs over budgeted costs for a specific category, i.e., proposed travel may have been higher than originally estimated. In these cases, the justification is simply "increased travel costs to attend planned meeting."
3. Budget modifications affecting the "labor" category on the Approved Expenditure Control Page must be reviewed/approved by the PI/PM's Chair, Dean or Institute Director as appropriate. Budget modifications must be made *prior* to the completion of the transaction warranting the change. Requests for budget modifications are forwarded to the Research and Sponsored Programs Office (RSPO). Budget modifications should be coordinated with the SPFA, but the PI/PM can work directly with the RSPO.
4. Most budget modifications can be approved locally by the Dean of Research (sponsored research or services) or Associate Provost for Academic Affairs (sponsored education). In some instances, sponsor approval may be required, i.e., sponsor condition stated at time of project funding or considerable deviation from proposal budget. If sponsor approval is required, the RSPO will notify the PI/PM. In these instances, the PI/PM will contact the sponsor or he/she may request the RSPO to do so.
5. It is important to plan the expenditure of project funds. Budget modifications requested towards the end of the proposal period are often scrutinized by auditors. If a budget modification is requested late in the performance of the project, the PI/PM must state how the proposed change will contribute to the completion of the deliverable in the timeframe remaining on the period of performance.

